

least business and commercial utilities. In our neighboring State of Kansas to the south they tax only business and commercial. They do not tax residential. Many states in the Union have recognized that it is a necessity of life especially in the northern climates like Nebraska to heat one's home and to cool one's home in the summertime. Nebraska, as many of us recognize, is a plains state, a northern plains state with extremes of temperature. The bill would cost the state \$20 million. But this year we have an estimated \$95 million more if we use the same tax rates. Surely for tax equity, for tax fairness, for help to the middle class and to those who rely, whose incomes are very limited, it would provide some equity. We have drawn our tax laws incorrectly and we all know that. This Legislature chose many years ago the wrong policy option and we are unique among the 50 states. Instead of taxing business and commercial property like most states, we tax only residential and that is unfair. There is two ways to deal with this inequity. One way is to put the tax on business and commercial property. The other is to take it off of residential property. Now if you tax business and commercial property, you add \$20 million to the tax base and we can do that with 945. Frankly, I have another bill, another proposal that will be heard in the Revenue Committee that would do that and that is not a bad way to go either. But because this Legislature has been reticent in the past to tax business, we have one of the lowest corporate income tax in the United States. We have other taxes that are very, very beneficial to the business community. But we do not treat the consumer as fairly. We ask them to pay the tax while we exclude others who are the ultimate consumers. Now we had a policy decision very similar to the one I offer you but just in reverse. 395 was up earlier this year and we voted to kill that bill. And 395 was, I think, too broadly drawn. It would have taxed manufacturing and other sort of users also. And there is a difference. Our tax policy says and should say that we, if we choose to tax the basic necessities of life, heating and cooling, energy use, we ought to do that for all the ultimate users and we have not done that. So I ask this Legislature to recognize that we owe the middle class, we owe the poor, we owe the average Nebraskan a tax break. This is the year that we have the